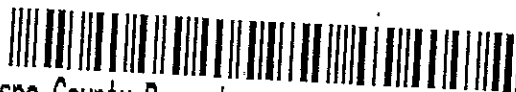


RECORDING REQUESTED BY:

PDM Steel Service Centers, Inc.  
350 South Grand Avenue, Suite 5100  
Los Angeles, California 90071

WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control  
1515 Tollhouse Road  
Clovis, California 93611  
Attention: Kevin Shaddy



Fresno County Recorder

William C. Greenwood

DOC- 2002-0091654

Check Number 6097

Monday, JUN 03, 2002 15:57:34

TCF \$12.00 MOD \$13.00 MIC \$1.00

DRF \$17.00

Ttl Pd \$43.00

Nbr-00000817880

JJC/R6/1-14

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY

(Health and Safety Code section 25355.5 )

ENVIRONMENTAL RESTRICTION (Civil Code section 1471(c))

Re: A portion of APN: 480-100-10, PDM Steel Service Centers Incorporated,  
4005 East Church Avenue, Fresno, California,

This Covenant and Agreement ("Covenant") is made by and between PDM Steel Service Centers, Inc. (the "Covenantor"), the current owner of property situated in the City of Fresno, County of Fresno, State of California, described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property"), and the Department of Toxic Substances Control (the "Department"). Pursuant to Civil Code section 1471(c), the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health and Safety Code ("H&SC") section 25260. The Covenantor and the Department, collectively referred to as the "Parties", hereby agree that the use of the Property be restricted as set forth in this Covenant.

ARTICLE I

STATEMENT OF FACTS

1.01. The Property, totaling approximately 1.315 acres is more particularly described and depicted in Exhibit "A", attached hereto and incorporated herein by this reference. The Property is located in the area now generally bounded by Cedar Avenue to the east, East Church Avenue to the south and other industrial use properties to the

west and north, in the City of Fresno, County of Fresno, State of California. The Property is a portion of the parcel described as County Assessor's Parcel No.: 480-100-10, which totals approximately 33.262 acres.

1.02. In April and May of 2001, the Property was the subject of a soil removal action conducted by Pitt-Des Moines, Inc. (PDM) without Department oversight. Subsequent to completion of this removal action, PDM entered into a Voluntary Cleanup Agreement (VCA) with the Department. Under the VCA, the Department was to review the completed removal action for adequacy and determine whether post removal conditions on the Property are fully protective of human health and the environment or make recommendations for additional work. The results of this removal action are described in a July 12, 2001 report prepared and submitted to the Department on behalf of Pitt-Des Moines, Inc. by Cambria Environmental Technology. The removal action consisted of the excavation and off-site disposal of 842.15 tons of heavy metal contaminated soil.

1.03. After initial investigation work conducted at the Property by URS Corporation, a decision was made based on comparisons to U.S. EPA Preliminary Remediation Goals to focus on lead and total chromium concentrations during subsequent investigation and remediation work. The Department has reviewed the July 12, 2001 Soil Removal Completion Report and associated investigation documents. As a result of this review, the Department has concluded that residual concentrations of hazardous substances present on the Property exceed acceptable levels for unrestricted land use. These residual concentrations do not, however, exceed acceptable levels for commercial/industrial use. The 95 percent upper confidence limit of the mean site-wide lead concentration (125 mg/kg) does not exceed conservative U.S. EPA (400 mg/kg) or Department (146 mg/kg) screening concentrations for residential land use. However, there are a few locations where lead concentrations (as high as 680 mg/kg) exceed an acceptable level under current federal or State residential land use scenarios.

The Department has also concluded that some uncertainties exist in association with the potential presence of arsenic and hexavalent chromium among other contaminants on the Property. Utilizing conservative assumptions to address these uncertainties, arsenic and hexavalent chromium would both likely exceed acceptable residential concentrations. Under these same conservative assumptions, arsenic and hexavalent chromium would not, either individually or cumulatively, likely exceed acceptable industrial use criteria. Finally, based on the information provided by the Respondent to the Department, the Department has concluded that the Property, as remediated, and subject to the restrictions of this Covenant, does not present an unacceptable threat to human safety or the environment, when limited to commercial and industrial use.

## ARTICLE II

### DEFINITIONS

2.01. Department. "Department" means the California Department of Toxic Substances Control and includes its successor agencies, if any.

2.02. Owner. "Owner" means the Covenantor, its successors in interest, and their successors in interest, including heirs and assigns, who at any time hold title to all or any portion of the Property.

2.03. Occupant. "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

## ARTICLE III

### GENERAL PROVISIONS

3.01. Restrictions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), subject to which the Property and every portion thereof shall be

improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction:

- (a) runs with the land pursuant to H&SC section 25355.5(a)(1)(C) and Civil Code section 1471,
- (b) inures to the benefit of and passes with each and every portion of the Property,
- (c) is for the benefit of, and is enforceable by the Department, and
- (d) is imposed upon the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.02. Binding upon Owners/Occupants. Pursuant to H&SC section 25355.5(a)(1)(C), this Covenant binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and assignees. Pursuant to Civil Code section 1471(b), all successive owners of the Property are expressly bound hereby for the benefit of the Department.

3.03. Written Notice of the Presence of Hazardous Substances. Prior to the sale, lease or sublease of the Property, or any portion thereof, the owner, lessor, or sublessor shall give the buyer, lessee, or sublessee notice that hazardous substances are located on or beneath the Property, as required by H&SC section 25359.7.

3.04. Incorporation into Deeds and Leases. The Restrictions set forth herein shall be incorporated by reference in each and all deeds and leases for any portion of the Property.

3.05. Conveyance of Property. The Owner shall provide notice to the Department not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

ARTICLE IV  
RESTRICTIONS

4.01. Prohibited Uses. The Property shall not be used for any of the following purposes:

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation.
- (b) A hospital for humans.
- (c) A public or private school for persons under 21 years of age.
- (d) A day care center for children.

4.02. Soil Management.

- (a) No soils shall be removed from the Property without the Department's prior approval of both a Soil Management Plan and a Health and Safety Plan.
- (b) Any contaminated soils from the Property brought to the surface by grading, excavation, trenching or backfilling shall be managed in accordance with all applicable provisions of State and federal law.
- (c) The Owner shall provide the Department written notice at least fourteen (14) days prior to any building, filling, grading, mining or excavating on the Property that Owner anticipates will result in removal of soil from the property.

4.03. Prohibited Activities. The following activities shall not be conducted at the Property:

- (a) Raising of food (livestock, food crops, etc.).

4.04. Access for Department. The Department and its designees shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by the Department in order to protect the public health or safety, or the environment.

ARTICLE V  
ENFORCEMENT

5.01. Enforcement. Failure of the Covenantor, Owner or Occupant to comply with any of the Restrictions specifically applicable to it shall be grounds for the Department to require that the Covenantor or Owner modify or remove any improvements ("Improvements" herein shall mean all buildings, roads, driveways, and paved parking areas), constructed or placed upon any portion of the Property in violation of the Restrictions. Violation of this Covenant shall be grounds for the Department to file civil or criminal actions as provided by law.

ARTICLE VI  
VARIANCE, TERMINATION, AND TERM

6.01. Variance. Covenantor, or any other aggrieved person, may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&SC section 25233.

6.02 Termination. Covenantor, or any other aggrieved person, may apply to the Department for a termination of the Restrictions or other terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with H&SC section 25234.

6.03 Term. Unless ended in accordance with the Termination paragraph above, by law, or by the Department in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

ARTICLE VII  
MISCELLANEOUS

7.01. No Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever.

7.02. Department References. All references to the Department include successor agencies/departments or other successor entity.

7.03. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Fresno within ten (10) days of the Covenantor's receipt of a fully executed original.

7.04. Notices. Whenever any person gives or serves any Notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner: PDM Steel Service Centers, Inc.  
c/o Kay Rustand, Esq.  
Reliance Steel & Aluminum Co.  
350 South Grand Avenue, Suite 5100  
Los Angeles, CA 90071

To the Department: Mr. James L. Tjosvold, P.E., Chief  
Northern California - Central  
Cleanup Operations Branch  
1515 Tollhouse Road  
Clovis, CA 93611

Any party may change its address or the individual to whose attention a Notice is to be sent by giving written Notice in compliance with this paragraph.

7.05. Partial Invalidity. If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

7.06 Statutory References. All statutory references include successor provisions.

IN WITNESS WHEREOF, the Parties execute this Covenant.

Covenantor: PDM Steel Service Centers, Inc.

By: David H. Hannah

Title: David H. Hannah, Chief Executive Officer

Date: 3-1-02

Department of Toxic Substances Control:

By: James L. Tjosvold

Title: James L. Tjosvold, P.E., Chief  
aka Jim Tjosvold  
Northern California - Central  
Cleanup Operations Branch

Date: 3/27/02



STATE OF CALIFORNIA )

COUNTY OF Los Angeles )

On this 1<sup>st</sup> day of March, in the year 2002,

before me Harold L. Fraizer, personally appeared

David H. Hannah

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is /are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Harold L. Fraizer



STATE OF CALIFORNIA )

COUNTY OF Sacramento )

On this 27<sup>th</sup> day of March, in the year 2002,

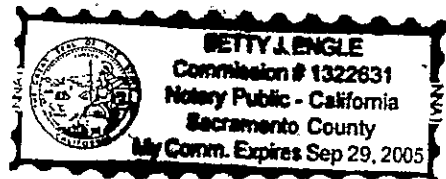
before me Betty Engle, personally appeared

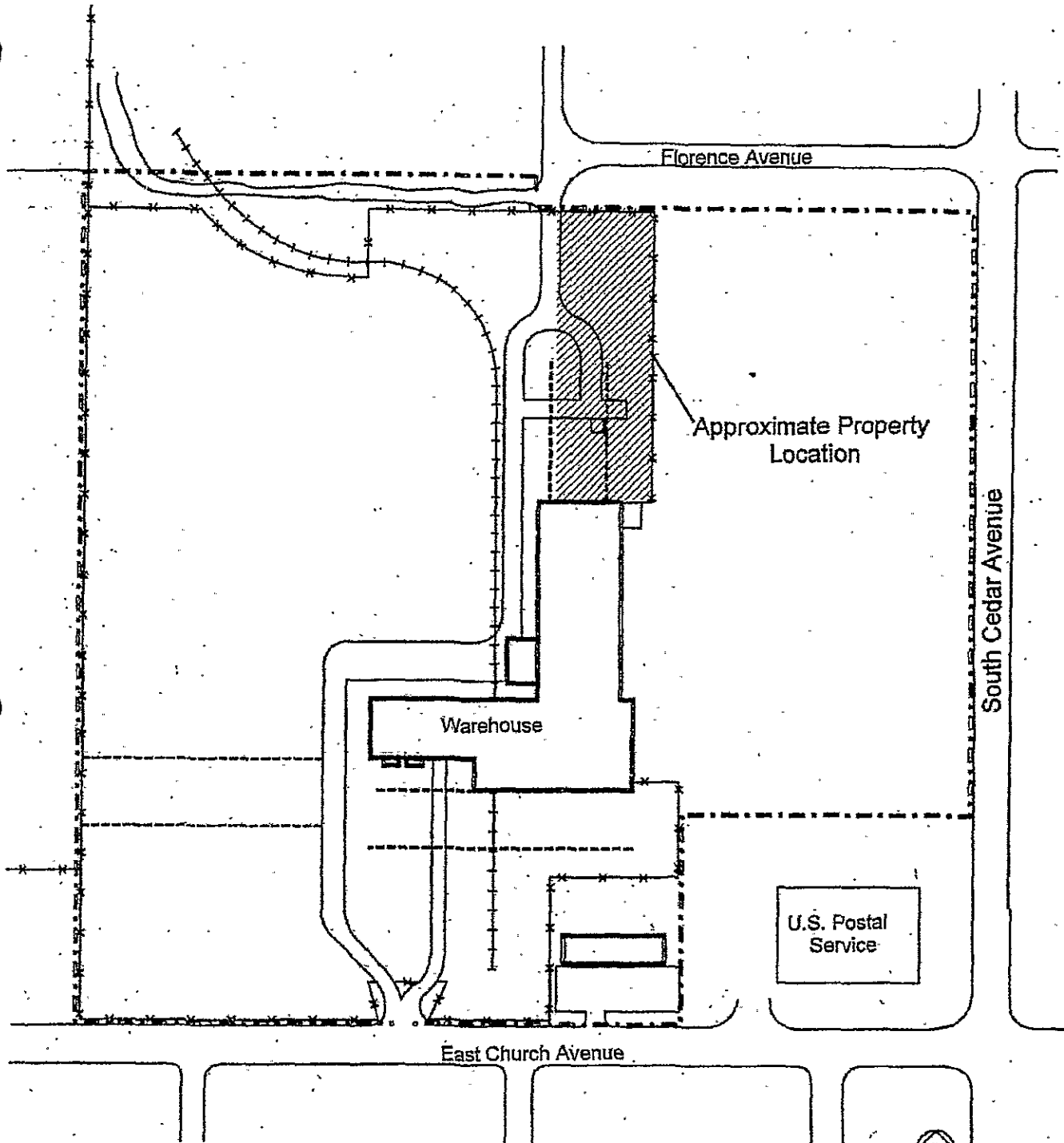
Jim J. Jansvold

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is /are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Betty J. Engle



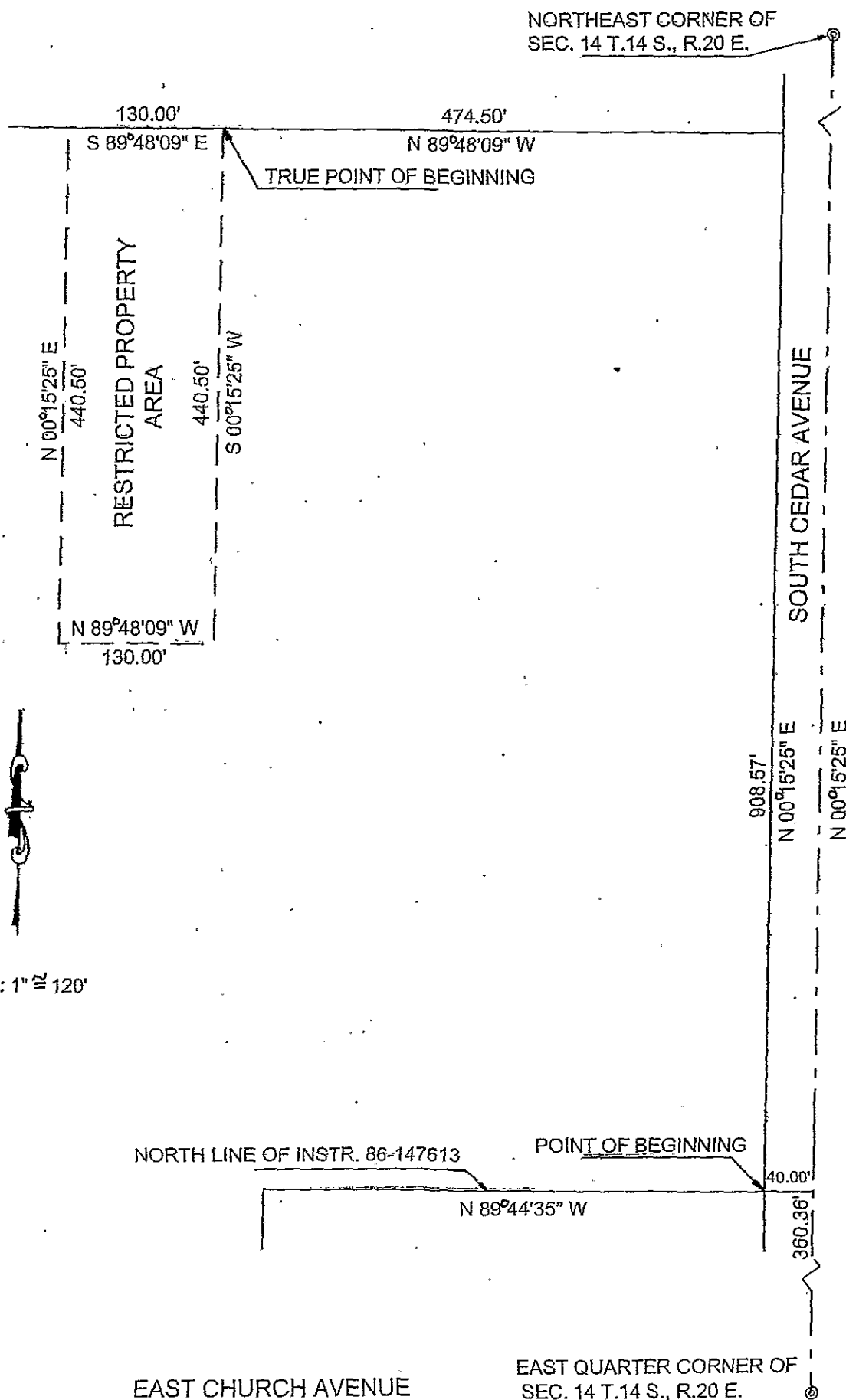
**Legend**

- - - - - Approximate PDM Facility Boundary
- - - - - PDM Facility Fence



0 150 300  
Approximate Scale in Feet

**SITE MAP**  
4005 East Church Avenue  
PDM Steel  
Fresno, CA



SCALE: 1" = 120'

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PDM STEEL SERVICE CENTER  
SITE LEGAL DESCRIPTION

Legal Description -Restricted Area

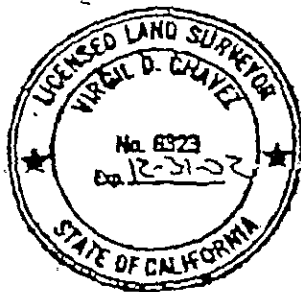
Real property situate in the State of California, County of Fresno, described as follows:

Portion of the East Half of the Southeast Quarter of the Northeast Quarter of Section 14, Township 14 South, Range 20 East, Mount Diablo Base and Meridian, according to the Official Plat of the Survey of said land on file with the Bureau of Land Management, more particularly described as follows:

Beginning at the northeasterly corner of the parcel of land conveyed to the United State Postal Service by deed recorded December 19, 1986 as Instrument No. 86-147613, said point being 40.00 feet west of the east line of said Southeast Quarter of the Northeast Quarter of said Section 14; Thence North  $00^{\circ} 15' 25''$  East, parallel with said east line, 908.57 feet to a line drawn parallel with and 50.00 feet south of the north line of said Southeast Quarter of the Northeast Quarter of said Section 14; Thence along said line so drawn, North  $89^{\circ} 48' 09''$  West, 474.50 feet, to the true point of beginning; Thence leaving said line, South  $00^{\circ} 15' 25''$  West, 440.50 feet; Thence North  $89^{\circ} 48' 09''$  West, 130.00 feet; Thence North  $00^{\circ} 15' 25''$  East, 440.50 feet; Thence South  $89^{\circ} 48' 09''$  East, 130.00 feet, to the true point of beginning.

Containing an area of 57,265 square feet, more or less.

End of Description



*Virgil D. Chavez*  
Virgil D. Chavez, PLS 6323

## NOTARY SEAL CLARIFICATION PAGE

I certify under penalty of perjury that the "Notary Seal" on the document to which this statement is attached reads as follows:

Name of Notary: Betty J. Engle

Commission #: 1322631

Date commission expires: September 29, 2005

Place of execution: Fresno, California

Date: 6/3/02      Kevin G. Shaddy  
Signature (Firm Name if any)

(Gov't. Code, Sec 27361.7)

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